



Information Technology Project Request (ITPR) Form

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SECTION 1A. GENERAL INFORMATION

Agency: Department of Health and Mental Hygiene
Project Title: HIPAA (Medicaid)- Acquisition of EDI Software for MMIS
Executive Business Sponsor: Alan Shugart
IT Project Manager: John Bohns
Phone: 410-767-1057

Indicate all Agency Senior Management that have reviewed and approved project (indicate all that apply):

☒ Executive Business Sponsor

☒ Agency CIO

☐ Agency CFO

Budget:

Appropriation Code (8 Digit RSTARS Code): M00Q0108

Sub Program Code (4 Digit RSTARS Code): T801

PCA Code (5 Digit RSTARS Code): T801G

Over CSB (Y/N): No

Project Level: New

Project Plan Number: 1 (Unique identifier of project)

Project Type: New Development

Project Classification:

Major Project (Y/N): Yes

Cross Cutting (Y/N): Yes

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SECTION 1B. PROJECT INFORMATION

PROJECT DESCRIPTION:

The Office of Operations and Eligibility develops and maintains the MMIS system to ensure prompt and accurate payment to providers of health care services. It maintains files of approved providers of services and Maryland residents certified as eligible to receive services through the Medicaid Program. This Project entails bringing the MMIS system into Health Insurance Portability and Accountability Act (HIPAA) compliance. This involves the selection and procurement of the Electronic Data Interface Translator, monitoring the installation and tailoring of the base translator software, modification of the MMIS to interface with the EDI Translator, evaluation of the existing infrastructure to support the addition of the EDI translator to the MMIS, and critical review of performance in the initial start-up period. The purpose of the Project is to accomplish HIPAA Transaction compliance by October 16, 2003. The scope of the effort and its impact are wide-ranging. All business processes and systems are affected. The Health Insurance Portability and Accountability Act (HIPAA), Public Law 104-191, was signed on August 21, 1996. In addition to the subject referenced in its title, the Act set forth an objective for Administrative Simplification. "It is the purpose of this subtitle to improve the medicare program under Title XVIII of the Social Security Act, t

PROJECT STATUS:

HIPAA is a federal law which the Medicaid Program must comply on or before October 16, 2003. This law establishes national standards for electronic data interchange (EDI) between Medicaid and health care providers who wish to be paid for services rendered to Medicaid clients. This is a New Systems Development Project, when this is complete, it should improve the efficiency of claim payment at significantly lower cost. This multi-year project establishes a timeline for the transition of every major health transaction in the Medicaid Program to a standard form. The project is in its early design and development phase, and the contractor is on time with the schedule projected in the Project Plan.

IT SOLUTION:

Technology:

OOEMCP has contracted with CSC to acquire Software Engineering support for the acquisition of an Electronic Data Interface (EDI) Translator, software to operate as a front/back end to the Medicaid Management Information System (MMIS). By EDI translator, we mean an application program designed to convert one electronic format into another and perform additional data conversion as necessary. Due to the existence of large gaps in formats and data sets as well as current reliance on extensive use of local codes, we have chosen to employ an EDI Translator rather than undertake a renovation of the MMIS. To follow are specifications for the EDI Translator software. Core Logical Functionality Tailoring of base software must be able to apply business logic at any point in the translation of a transaction. The EDI Translator must have the ability to strip standard data elements not used by the MMIS and store them for re-attachment to an outbound transaction. The system must support multiple data access methods including relational, sequential and indexed. The EDI Translator must have the ability to perform a front-end edit of certain transactions (e.g., X12N 837) to identify all surface inconsistencies (e.g., absent mandatory fields, entries not compliant with defined field conventions, etc.). Hardware/Software Compatibility The EDI Translator is expected to be capable of running efficiently within the existing mainframe and/or RISC 6000/AIX, Sun Solaris or Windows platforms. It must be capable of integration with a stand alone RDBMS on a different platform; e.g., DB2. The EDI Translator must internally support connectivity to application, web, and other servers from event driven methods using industry standard protocols such as ODBC, or native drivers supplied and maintained by the database vendor. For example, at any given point in the translation of a document, an SQL statement could be issued to query a table on an entirely different server or mainframe. EDI Translator Capabilities The EDI Translator shall replace existing proprietary software that prepares incoming files for transmission to the Annapolis Data Center (ADC) and outgoing files for transmission to business partners. This entails zipping and unzipping of files as well as formatting for acceptance into the MMIS. The EDI Translator needs to run as both a batch and online process. Batch mode must ha

Program Strategic Goals:

MQ.01 Medical Care Programs Administrations - FY 2004 MFR. Goal 5. Maximize the effectiveness of operations of the Medical Care Programs. Objective 5.1 By the close of Fiscal Years 2004, meet each of the Health Insurance Portability and Accountability Act (HIPAA) implementation plan requirements for 2004.

Critical Success Factors:

Outcome for Objective 5.1: 2001 2002 2003 2004 Percent of Actual Estimated Estimated Estimated
Implementation Plan Completed. 28% 45% 100% 100%

Major Stakeholders:

Centers for Medicare & Medicaid (CMS), Office of Health Services staff and any other major customer listed below.

Major Customers:

Some of the major customers are: Health Care Providers; Maryland Health Partners, (ASO contractors for Mental Hygiene); Billing Agencies; First Health, our Point of Sale system provider, MCO's, Medicare Carriers, Concera Corporation and Medical Assistance recipients.

External Dependencies:

The scope of the effort and its impact are wide-ranging. All business processes and systems are affected. For a state Medicaid Program, attention is drawn to the MMIS. Per the State Medicaid Manual, MMIS is conventionally comprised of 6 subsystems, all directly and substantially affected by HIPAA. For Maryland, we can enumerate 10 such subsystems. The task is made more complex to capture, reimburse and report on all services, especially where waivers and special programs are employed. In such instances, payments are not necessarily dictated by the standard data elements and methodologies defined by the basic federal program (e.g., prospective payments based on Diagnosis Related Group for hospital payments). Thus, the task for Maryland Medicaid is to support its payment determination system using data elements defined to support common federal criteria. This presents a challenge to varying State program managers. In some areas, this appears to be a virtually insurmountable task, as reliance on an extensive group of local codes has become the norm. Solutions to these dilemmas will be a primary focus of the pre-requirements definition stage of this effort.

Acquisition Strategy:

Software Engineering vendor would review all relevant information secured to date and develop additional information as necessary to effectuate purchase of the EDI Translator Software and related services. The Software Engineering contractor shall deliver the purchase order for the base EDI Translator.

Authority Mandate: Yes

_The Health Insurance Portability and Accountability Act (HIPAA) was signed on August 21, 1996, so it is a federal mandate. Failure to comply with HIPAA could result in the imposition of substantial federal monetary penalties and potentially the loss of federal reimbursements for the state's health programs.

BUSINESS NEED/JUSTIFICATION:

The justification for HIPAA is that it will improve the efficiency and effectiveness of the health care system by encouraging the development of a health information system through the establishment of standards and requirements for the electronic transmission of certain health information. Additionally, it is a federal mandate and, therefore, we must be prepared to comply with the regulations.

BENEFITS:

External:

Provide a summary of what the anticipated external benefits of the project will be when implemented Provides an interface that will allow providers access to a HIPAA compliant system

Internal:

Postage savings from elimination of mailings of paper records plus increased effectiveness in electronic transmissions; Labor savings realized from the re-keying of data at each step of process in the separate domains of the business partners; Paper savings from forms and envelopes; Additional automation savings from standardization; Maintenance savings in simplification of systems now working with standardized data elements; Additional gains from automation of related processes..

Return on Investment:

Not defined at this time.

MAJOR RISKS:

Without these funds, the Program will not be able to implement a HIPAA compliant system by October 2003 and will, therefore, cause the provider community to revert to paper billing for services rendered. The Department is not equipped to handle the projected volume of paper claims that would result if the Program were unable to meet HIPAA compliance. In addition, the Department will be at risk of the federal government imposing sanctions for non-compliance, which could amount to several million dollars. Failure to adopt the national standard would mean that the State could risk service interruptions of its major programs due to the State's inability to interact with business associates, health care providers, etc. The estimated impact on lost revenue to the state, if funding to the program is suspended would be: The impact would mean that the state would not be able to comply with the HIPAA mandate and could lose the federal reimbursement for the state's health programs. The estimated impact on the agencies ability to continue to carry out its mandated mission, in this area, if funding to the program is suspended would be: The Medical Care Program (Medicaid) would be in jeopardy of not being able to carry out its mission to assure access to medically necessary and appropriate health care services for Marylanders who cannot afford them. The Program strives to meet its obligations to both its customers and the taxpayers by assuring that quality services are provided in a cost-effective manner. The agency would not be able to carry out the mandated project if funding is suspended. Failure to carry out this project could result in the imposition of substantial federal monetary penalties and potentially the federal reimbursements for the state's health programs Strategic/Financial Risk Mitigation: the successful acquisition, design, development and implementation of the Medical Care Program's HIPAA IT Project

Known or Anticipated Scope Change:

Risks are minimal, but since the HIPAA requirements are volatile, any changes in the requirements could impact the cost and

Known or Anticipated Cost Change:

Cost change is possible due to the above listed risk, but it is minimal.

COMPLIANCE WITH STATE SECURITY AND PRIVACY REQUIREMENTS:

As directed in the Instructions, this question is omitted from the FY 2004 ITPR.

CONFORMITY TO STATE ARCHITECTURE AND POLICY STANDARDS:

As directed in the Instructions, this question is omitted from the FY 2004 ITPR.

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SECTION 1C. SCHEDULE A screen resolution of 1024 x 768 and landscape print setting will display best results

List the major lifecycle milestones associated with this project. Note that it is the intent to conduct Agency project assessments semiannually or at the nearest major milestone.

Phase	Major Milestones	Planned Start Date (mm/dd/yy)	Actual Start Date (mm/dd/yy)	Planned End Date (mm/dd/yy)	Actual End Date (mm/dd/yy)
Initiation/Concept	SE Vendor Orientation	07/01/02	06/19/02	07/25/02	07/26/02
	EDI Translator Software Purchase Order	07/01/02		07/25/02	
	Update Project Plan	07/01/02		07/25/02	
	On-Site Vendor Requirements	07/01/02		07/25/02	
Planning/Req. Analysis	EDI Translator Software Provider Orientation	07/08/02	08/01/02	08/29/02	08/21/02
	Project Plan Update	07/08/02		08/29/02	
Design/Development/Integration/Test	EDI Translator Software Tailoring to MMIS	08/02/02	08/14/02	04/04/03	
	EDI Translator Installation	08/02/02		04/04/03	
	Training, Testing and Implementation Plans	08/02/02		04/04/03	
Implementation	MMIS Tailoring	07/15/02	07/15/02	10/16/03	
	Test Environment: Installation, Testing and Implementation	07/15/02		10/16/03	
Operations/Maintenance	Monitoring of Initial Operations	10/16/03		06/30/09	

Disposition (Not required)										

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SECTION 1D. COST A screen resolution of 1024 x 768 and landscape print setting will display best results

PART A. SUMMARY OF SPENDING FOR PROJECT COST
(Provide Project Cost Data and Estimates)

Project Phase Cost

GENERAL FUNDS	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total GF*
Initiation/Concept	10,479	0	0	4,327	0	4,339	4,339	4,339	4,339	32,162
Planning/Req. Analysis	10,479	0	0	140,230	0	36,495	36,495	36,495	36,495	296,689
Design/Development Integration/Test	0	41,787	0	16,288	0	120,460	120,460	120,460	120,460	539,915
Implementation	0	0	0	86,020	0	86,262	86,262	86,262	86,262	431,068
Operations/Maintenance	0	0	0	7,635	0	7,655	7,655	7,655	7,655	38,255
TOTAL GF	20,958	41,787	0	254,500	0	255,211	255,211	255,211	255,211	1,338,089
SPECIAL FUNDS Excluding MITDPF	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total SF Excl MITDPF*
Initiation/Concept	0	0	0	0	0	0	0	0	0	0
Planning/Req. Analysis	0	0	0	0	0	0	0	0	0	0
Design/Development Integration/Test	0	0	0	0	0	0	0	0	0	0
Implementation	0	0	0	0	0	0	0	0	0	0
Operations/Maintenance	0	0	0	0	0	0	0	0	0	0
TOTAL SF (Excl MITDPF)	0	0	0	0	0	0	0	0	0	0
SPECIAL FUNDS MITDPF	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total SF MITDPF*
Initiation/Concept	0	0	0	0	4,327	0	0	0	0	0
Planning/Req. Analysis	0	0	0	0	140,230	0	0	0	0	0
Design/Development Integration/Test	0	0	335,200	0	16,288	0	0	0	0	335,200
Implementation	0	0	0	0	136,020	0	0	0	0	0
Operations/Maintenance	0	0	0	0	7,635	0	0	0	0	0
TOTAL SF (MITDPF)	0	0	335,200	0	304,500	0	0	0	0	335,200
SPECIAL FUNDS SUMMARY	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total SF*
Initiation/Concept	0	0	0	0	4,327	0	0	0	0	0
Planning/Req. Analysis	0	0	0	0	140,230	0	0	0	0	0
Design/Development Integration/Test	0	0	335,200	0	16,288	0	0	0	0	335,200
Implementation	0	0	0	0	136,020	0	0	0	0	0
Operations/Maintenance	0	0	0	0	7,635	0	0	0	0	0
TOTAL SF	0	0	335,200	0	304,500	0	0	0	0	335,200
FEDERAL FUNDS	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total FF*

	FY02	FY02	FY03	FY04	FY04	FY05	FY06	FY07	FY08	
Initiation/Concept	12,946	0	12,577	12,674	12,674	12,348	12,348	12,348	12,348	87,589
Planning/Req. Analysis	12,945	0	407,630	410,770	410,770	103,871	103,871	103,871	103,871	1,246,829
Design/Development Integration/Test	0	152,691	47,347	47,712	47,712	342,846	342,846	342,846	342,846	1,619,134
Implementation	0	0	250,052	251,979	251,979	245,513	245,513	245,513	245,513	1,484,083
Operations/Maintenance	0	0	22,194	22,365	22,365	21,791	21,791	21,791	21,791	131,723
TOTAL FF	25,891	152,691	739,800	745,500	745,500	726,369	726,369	726,369	726,369	4,569,358
REIMBURSABLE FUNDS	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total RF*
Initiation/Concept	0	0	0	0	0	0	0	0	0	0
Planning/Req. Analysis	0	0	0	0	0	0	0	0	0	0
Design/Development Integration/Test	0	0	0	0	0	0	0	0	0	0
Implementation	0	0	0	0	0	0	0	0	0	0
Operations/Maintenance	0	0	0	0	0	0	0	0	0	0
TOTAL RF	0	0	0	0	0	0	0	0	0	0
TOTAL ALL FUNDS	46,849	194,478	1,075,000	1,000,000	1,050,000	981,580	981,580	981,580	981,580	6,242,647


*Total does not include Governor's Allowance

Project Expenditures by Comptroller Object

COMPTROLLER OBJECT CODES	Prior to FY02	Actual FY02	Approp FY03	Budget Req FY04	Gov Allow FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total*
01. Salaries, wages	0	0	0	0	0	0	0	0	0	0
02. Technical & fees	0	0	0	0	0	0	0	0	0	0
03. Communications	0	0	0	0	0	0	0	0	0	0
04. Travel	0	0	0	0	0	0	0	0	0	0
06. Fuel & Utilities	0	0	0	0	0	0	0	0	0	0
07. Motor Vehicle Oper. & Maint.	0	0	0	0	0	0	0	0	0	0
08. Contractual Services	46,849	194,478	1,075,000	1,000,000	1,050,000	981,580	981,580	981,580	981,580	6,242,647
09. Supplies & Materials	0	0	0	0	0	0	0	0	0	0
10. Equipment Replacement	0	0	0	0	0	0	0	0	0	0
11. Equipment Additional	0	0	0	0	0	0	0	0	0	0
12. Grants, Subsid. & Contrib.	0	0	0	0	0	0	0	0	0	0
13. Fixed Charges	0	0	0	0	0	0	0	0	0	0
14. Land & Structures	0	0	0	0	0	0	0	0	0	0
TOTAL	46,849	194,478	1,075,000	1,000,000	1,050,000	981,580	981,580	981,580	981,580	6,242,647

*Total does not include Governor's Allowance

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